



House of Representatives

General Assembly

File No. 42

February Session, 2002

Substitute House Bill No. 5457

House of Representatives, March 15, 2002

The Committee on Insurance and Real Estate reported through REP. OREFICE of the 37th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING PAYMENT OF REAL PROPERTY MORTGAGE LOAN PROCEEDS BY WIRE TRANSFER.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-758 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 Any financial institution, as defined in subdivision (1) of section
4 36a-41, as amended, or any other person who makes any loan (1) for
5 the purchase of real property to be secured by a first mortgage on real
6 property located in this state, or (2) to refinance an existing
7 indebtedness secured by a mortgage, which loan is to be secured by a
8 first mortgage on real property located in this state shall [] (A) at the
9 time of the execution of such loan or at the termination of any right to
10 rescind the loan transaction under 12 CFR 226, whichever is later, pay
11 the loan proceeds to the mortgagor, to the mortgagor's attorney or to
12 the mortgagee's attorney by a certified, bank treasurer's or cashier's
13 check, or (B) not later than three hours before the scheduled time of the

- 14 execution of such loan, pay the loan proceeds to the account of the
15 mortgagee's attorney by means of wire transfer.

This act shall take effect as follows:	
Section 1	<i>October 1, 2002</i>

INS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill concerns how funds are forwarded from a financial institution during the execution of a loan and has no fiscal impact on the Department of Banking.

OLR Bill Analysis

sHB 5457

***AN ACT CONCERNING PAYMENT OF REAL PROPERTY
MORTGAGE LOAN PROCEEDS BY WIRE TRANSFER***

SUMMARY:

This bill requires the payment of mortgage loan proceeds by wire transfer to the account of the mortgagee's attorney no later than three hours before the scheduled time of execution of the loan. The requirement applies to financial institutions and other people who make loans on real estate located in this state (1) for the purchase of real estate secured by a first mortgage or (2) to refinance an existing debt that is secured by a first mortgage.

EFFECTIVE DATE: October 1, 2002

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 17 Nay 0